

## Message Text

CONFIDENTIAL

PAGE 01 BEIRUT 05687 171229 Z

53

ACTION NEA-12

INFO OCT-01 ADP-00 NEAE-00 SSO-00 NSCE-00 USIE-00 INRE-00

SS-15 L-03 H-02 NSC-10 EB-11 COME-00 CIAE-00 INR-10

NSAE-00 RSC-01 TRSE-00 OMB-01 AID-20 IGA-02 RSR-01

/089 W

----- 089078

O 171200 Z MAY 73

FM AMEMBASSY BEIRUT

TO SECSTATE IMMEDIATE 2178

SECDEF WASHDC IMMEDIATE

C O N F I D E N T I A L BEIRUT 5687

SECDEF FOR DSAA/ISA

E. O. 11652: GDS

TAGS: MASS, LE

SUBJ: FMS CREDIT TO LEBANON

1. LEBANESE MINISTRY OF FINANCE NOW INFORMS US THAT INTEREST ON OUR FMS LOANS TO LEBANON IS SUBJECT BY LAW TO INCOME TAX. WE HAVE POINTED OUT TO THEM THAT UNDER PARAGRAPH 6 F OF THE CREDIT AGREEMENTS WHICH THEY HAVE SIGNED " TAXES, LEVIES, IMPOSTS, ETC.", ARE SPECIFICALLY EXCLUDED. THEY ( MINISTER AND DIRECTOR GENERAL OF FINANCE) UNDERSTAND AND AGREE THAT USG COULD NOT BE HELD LIABLE FOR TAX AND CONSEQUENTLY THEY WERE TRYING TO FIND WAY OF GET AROUND THE LAW BUT HAD SO FAR NOT BEEN SUCCESSFUL. THEY WOUNDERED IF THERE WERE SOME WAY, EITHER BY AMENDING THE AGREEMENT OR BY SOME OTHER MEANS, BY WHICH USG COULD CHARGE ADDITIONAL AMOUNTS EQUIVALENT TO THE TAX WHICH WOULD BE REIMBURSED TO THE LEBANESE GOVERNMENT. IN REPLY, WE MADE CLEAR USG COULD NOT DO ANYTHING WHICH WOULD IMPLY LIABILITY FOR THE TAX. HOWEVER, WE AGREED AT THEIR REQUEST TO ASK THE DEPT IF IT KNEW FROM ITS EXPERIENCE WITH OTHER COUNTRIES OF SOME GIMMICH OF

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PAGE 02 BEIRUT 05687 171229 Z

GETTING AROUND THIS PROBLEM. OUR IMPRESSIONS IS THAT SOME  
SORT OF ARRANGEMENT WAS MADE WITH SAUDI ARABIA UNDER  
SIMILAR CIRCUSTANCES.

2. WOULD BE GRATEFUL FOR DEPARTMENT' S CONSIDERATION AND  
EARLY REPLY AS GOL ANXIOUS USE CREDIT NOW.  
HOUGHTON

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NMAFVVZCZ

\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* CONFIDENTIAL

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 17 MAY 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** morefirh  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973BEIRUT05687  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GDS  
**Errors:** n/a  
**Film Number:** n/a  
**From:** BEIRUT  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Original Handling Restrictions:** n/a  
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**Page Count:** 2  
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**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** morefirh  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 04 JAN 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <04-Jan-2002 by cunninfx>; APPROVED <16-Jan-2002 by morefirh>  
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30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** <DBA CORRECTED> mcm 980219  
**Subject:** FMS CREDIT TO LEBANON  
**TAGS:** MASS, LE  
**To:** NEA  
SEC STATE  
STATE  
WASHDC  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005